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Report of the International Fund for Agricultural Development

Summary

Since its inception in 1978, the International Fund for Agricultural Development (IFAD) has been supporting indigenous peoples living in remote rural areas through its loans and grants, as part of its mandate to reduce poverty. During the first decades, however, indigenous peoples were not targeted as such, but considered as part of the rural poor. Time and experience on the ground provided IFAD with the knowledge and deeper understanding of indigenous peoples' issues. Overall, in its experience on the ground, the Fund has learned that development strategies with indigenous peoples need to be guided by a holistic vision that includes economic growth, empowerment, sustainable management of natural resources, and recognition and protection of social, economic and cultural rights.

Experience, however, has also shown that development effectiveness and sustainability have been limited where the design and implementation of programmes and projects have not considered the specific identities and cultures of indigenous peoples.

The strengthened engagement of IFAD with indigenous peoples in recent years has been founded on three main pillars: (a) advocacy role at the international level; (b) development of the IFAD Policy on Engagement with Indigenous Peoples, based on the Fund's best practices in its loans and grants programmes; and (c) microgrants in support of self-determined development of indigenous peoples' communities at the grass-roots level.

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The main challenges for the Fund reside in applying a more systematic culturally based approach to all its projects and programmes, in order to enable indigenous peoples to pursue their own development wherever IFAD works with them.

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I. The engagement of IFAD with indigenous peoples

1. Since its inception in 1978, the International Fund for Agricultural Development (IFAD) has been supporting indigenous peoples living in remote rural areas through its loans and grants, as part of its mandate to reduce poverty. During the first decades, however, indigenous peoples were not targeted as such, but considered as part of the rural poor. Time and experience on the ground provided IFAD with the knowledge and deeper understanding of indigenous peoples' issues and made the institution recognize that while indigenous peoples are disproportionately represented among rural poor people, they have undervalued natural and cultural assets upon which they can build to improve their livelihoods and contribute to environmentally sustainable development.

2. The rural poverty reduction mandate of IFAD and its long-standing commitment to indigenous peoples were reaffirmed in the IFAD Strategic Framework 2007-2010, which singles out indigenous peoples as one of the Fund's principal target groups deserving focused attention to reduce their poverty, marginalization and vulnerability. The Strategic Framework highlights that indigenous peoples are often those who lose the most in view of a breakdown of traditional natural resources governance systems and the emergence of commercially driven ones. It also acknowledges the role of indigenous peoples as custodians of the world's biodiversity and providers of environmental services. Furthermore, the Strategic Framework stresses the need for enabling indigenous peoples "to build organizations to manage the resources effectively and generate an income stream that will provide for sustainable resource use".[1]

3. Based on its experience and best practices, within the evolving international normative framework, and under a committed leadership of its President and Senior Management, the strengthened engagement of IFAD with indigenous peoples in recent years has been founded on three main pillars: (a) advocacy role and policy dialogue at the international level; (b) development of the Fund's policy on engagement with indigenous peoples, as an institutional instrument to systematize the Fund's best practices in its loans and grants programmes and projects and enhance the ability of IFAD to empower indigenous peoples to engage in development processes at regional and country levels; and (c) microgrants in support of self-determined development of indigenous peoples' communities at grass-roots level.

II. Advocacy role at the international level

4. Following the participation of IFAD in the World Summit on Sustainable Development in Johannesburg in 2002, the Fund started working proactively on advocacy with indigenous peoples, beyond the confines of its projects and within the wider framework of the international arena, establishing a strong partnership with the United Nations Permanent Forum on Indigenous Peoples' Issues and the United Nations Inter-Agency Support Group (IASG) supporting the Forum.

5. Since then, IFAD has been supporting the work of the Forum and has so far provided three grants to the Forum's secretariat for a total amount of around

[1] IFAD Strategic Framework 2007-2010, p. 19 (available at http://www.ifad.org/sf/strategic_c.pdf).

US$ 500,000. The first grant in 2004 allowed indigenous experts to review some IFAD projects in support of indigenous peoples in order to identify best practices. The results of the assessments were presented in a workshop in 2005 that concluded that the IFAD-funded projects had empowered indigenous peoples to implement and frame their own development policies. The workshop also reaffirmed the view long held by indigenous peoples that sustainable solutions to their development must be based on respect for their history, rights, identity, dignity and security. The workshop encouraged IFAD to develop its own principles of engagement with indigenous peoples, based on the Fund's best practices.

6. The second grant was provided to the secretariat of the Permanent Forum in 2006 to define, on the basis on regional consultations, a set of indigenous peoples-sensitive indicators of poverty and well-being. This project on indicators of well-being, sustainability and poverty of indigenous peoples emerged out of the recommendations of the Forum during its 2004 International Expert Workshop on Data Collection and Disaggregation and the Forum's sessions with the special theme, Millennium Development Goals. The results of the project were presented in a global report during the Forum's seventh session in May 2008. In its completion report, the secretariat of the Forum stated that "the impact of this project went beyond the goals of the project itself. The mobilization into constructive engagement of indigenous organizations, agencies, experts in the field of indicators and government experts and the links created among them on the issue of indicators was productive and forward-looking and the result of these links will hopefully last for some time. The reports of the regional workshops as well as the Global Report speak for themselves. The Global Report includes a list of core and sub-core themes and proposed indicators of indigenous peoples' well-being, sustainability and poverty as well as proposed indicators for the Convention on Biological Diversity and for the Millennium Development Goals".[2]

7. A third grant in support of the secretariat of the Forum was approved in 2008 and will support the dissemination and implementation of the United Nations Declaration on the Rights of Indigenous Peoples and the United Nations Development Group's Guidelines on Indigenous Peoples' Issues at the country level.

8. IFAD also took on a more proactive role in the Inter-Agency Support Group on Indigenous Peoples' Issues. In 2006, the Fund chaired IASG and hosted a successful annual meeting in Rome. The Fund has been an active participant to the IASG annual meetings, providing continuous input and information.

9. Strategic partnerships with indigenous peoples' organizations and their supporting institutions have been established and strengthened. By February 2008, the Fund provided institutional grants for a total amount of $1 million to support advocacy and policy work and in response to the Forum's recommendations on issues related to indigenous women; the assessment of the first International Decade of the World's Indigenous Peoples in Asia; mobile indigenous peoples; indigenous peoples' communication for development; identity, power and rights; spatial and cultural mapping; and climate change.

[2] Secretariat of the Permanent Forum on Indigenous Issues, report submitted to IFAD upon completion of the Project on Indicators of Well-being, Sustainability and Poverty of Indigenous Peoples.

10. The Fund has also prepared and sponsored various publications on best practices relating to indigenous men and women. It contributed one half of the case studies reported in the 2007 publication of the Permanent Forum's secretariat entitled *Indigenous Women and the United Nations System: Good Practices and Lessons Learned* (ST/ESA/307).[3] It supported a study on the Human Development Index in India that concluded that for various tribal belts in India, the Human Development Index is as low as that of some of the poorest countries of sub-Saharan Africa. Recently IFAD has sponsored a study on *Indigenous Women and Climate Change*, carried out by the South Asia Office of the United Nations Development Fund for Women. The study points out the vulnerability of indigenous women to climate change impacts, as they constitute the most vulnerable section of indigenous peoples, who in turn form a majority of the vulnerable worldwide. While the autonomous adaptive actions of indigenous women have been evidenced, prevailing social and economic systems that manifest gender inequalities can disproportionately affect indigenous women's capacity to adapt and mitigate climate change impacts. The study concludes that indigenous women's knowledge and experience of effective local mitigation and adaptation measures can highly contribute to more sustainable and gender-responsive climate change policies and indicates as priority areas of intervention: (a) research and action in traditional knowledge systems; (b) advocacy for increasing gender sensitivity on the differential impacts of climate change on women and men; (c) capacity-building for alternative livelihoods; and (d) strengthening women's participation in climate change planning and governance processes.

III. Loans and grants programmes and projects at regional and country levels

11. IFAD has so far provided the equivalent of around $1,350 million in loans and the equivalent of around $28 million in grants, mainly in Latin American and Asian countries. Regarding Africa, although the Fund provided several loans in support of pastoralists and other marginalized groups in the late 1980s and early 1990s, by the end of the 1990s that support had dwindled. Recently, the Fund has shown renewed interest in supporting pastoralists in northern and western Africa, and some of its ongoing projects are also helping hunters and gatherers in central and southern Africa to regain their livelihoods.

12. IFAD-funded projects over the years have addressed the following issues of crucial importance to indigenous peoples:

- Securing access to ancestral lands and territories
- Promoting, in a culturally sensitive way, indigenous women's capacity for autonomous action in community affairs
- Enhancing indigenous peoples' livelihoods through sustainable natural resource management, according to their perspectives and visions

[3] Available at: http://www.un.org/esa/socdev/publications/Indigenous/indwomen07.htm. In addition to the secretariat of the Permanent Forum on Indigenous Issues, 2007, see also: International Fund for Agricultural Development, *Valuing Diversity in Sustainable Development* (Rome/Johannesburg: IFAD, 2002) and *Enhancing the Role of Indigenous Women in Sustainable Development* (Rome/New York: IFAD, 2004).

- Valuing and revitalizing indigenous knowledge systems and blending them with modern technology
- Strengthening indigenous peoples' institutions and their judicial systems
- Supporting bilingual and cross-cultural education and promoting intercultural awareness
- Enhancing indigenous identity and self-esteem
- Fostering culturally based microenterprises

13. There are many good examples of successful approaches to effective development and lessons learned that can be drawn from the Fund's experience of working with indigenous peoples, their organizations and governments.

A. Increased incomes by diversifying sources of food and income

14. IFAD has learned that indigenous peoples can increase their incomes by diversifying their sources of food and income. This can involve crop diversification, agricultural productivity enhancement, microfinance, support to microenterprises, and alternative income generation opportunities like ecotourism and processing of medicinal products. For instance, crop diversification into tea, coffee, cash-crop trees, organic farming and horticultural production has served to increase household incomes by up to 43 per cent among minorities in mountain areas in China. Research and development for the production and marketing of high-value non-timber forest products has led to similar results in the Lao People's Democratic Republic.

B. Access to markets

15. Support to indigenous women microentrepreneurs has proved a very effective way not only to support women's economic empowerment but also to increase household incomes in many countries in Latin America and Asia. Improved access to financial services is an important ingredient of livelihood diversification efforts, as well as support for access to markets, which can pay impressive dividends. This is, for instance, the experience of tea producers in Yunnan-Simao in China and of gatherers of non-traditional forest products in Nepal. In Quinhai-Hainan, China, for instance, ethnic minorities doubled their incomes in five years when they had access to financial services to help them to get better access to markets for their animal products. Some 45,000 households have benefited, of which about 60 per cent are Tibetan and Hui ethnic minorities. On average, household income increased by 25 per cent when compared with similar households that did not participate in the project.

C. Access rights of indigenous peoples to natural resources

16. Programmes in which rural communities, governments and IFAD have joined forces have facilitated the recognition or protection of these rights — both collective and individual — through demarcation of ancestral lands, forests and water sources, support to more gender-equal entitlements, and advocacy. In India, programmes

have included the titling of tribal hill lands and facilitating access to land rights by women in the state of Orissa, and support to the government definition and protection of tribal land rights in Andhra Pradesh. Some 17,175 land titles, registered in the names of both husband and wife, were distributed to 6,837 tribal peoples in 236 villages. The provision of land rights opened up new opportunities for income-generation (e.g., horticulture and small livestock raising). It also promoted sounder environmental management practices since the new landowners generally ended previous shifting cultivation practices.

17. Another example can be found in the Cordillera highlands in the Philippines, where participatory mapping of resources by indigenous communities has been supported through traditional and modern methods. In Nepal, indigenous communities, particularly women, have successfully engaged in forest rehabilitation and biodiversity management thanks to a programme involving 40-year-long leasehold arrangements combined with training. The achievements of this kind of initiative include better management of natural resources and protection of biodiversity, reforestation, more secure women's access to resources, and reduced conflicts between ethnic minorities.

D. Building on local knowledge

18. In India's state of Andhra Pradesh, modern techniques and tribal knowledge have been brought together to develop innovative non-timber forest products such as gum karaya, clearing nuts,[4] neem and others. Within a short period, the quality of the gum karaya improved and prices rose by up to 250 per cent while four value-added by-products were developed including powder, granules, cream and gel. The gum karaya initiative was a major source of income for almost 12,000 tribal peoples and an important source of employment for tribal women.

19. Indigenous knowledge about medicinal plants or underutilized plant species has also been utilized and capitalized on with very powerful effects both in local programmes and by cultivating fair national and international value chains, always with the joint participation of local communities, governments, donors and other partners such as the private sector and non-governmental organizations.

E. Sociocultural and political empowerment

20. Many IFAD-supported programmes promote the socio-cultural and political empowerment of indigenous peoples. This has taken different forms, from promoting intercultural education in the Mindanao project in the Philippines to encouraging the use of indigenous languages and dress in competitions for project services in Peru. In the Amazon Basin, IFAD's work with the Regional Programme in Support of Indigenous People in the Amazon Basin (PRAIA) has empowered indigenous communities to design 140 small programmes combining economic activities and cultural valorization. Initiated in 1992, this highly innovative programme provided direct support to indigenous communities so that they

[4] *Strychnos potatorum*. Through research and development new products were developed from the "clearing nut", including a derivative that can substitute the water-purifying agents alum and natfloc-2200. The bioflocculant extracted from this nut is also used to clean nuclear waste.

themselves could develop and implement projects reflecting their own perspectives and aspirations. The programme's financial support was released against proposals from indigenous communities or organizations and is generally small ($5,000 to $50,000).

F. Desk review of the IFAD portfolio in the Latin American and Caribbean region

21. To take stock of its experience on the ground, in 2007 the Latin America and the Caribbean Division of IFAD undertook a desk review of its portfolio related to indigenous peoples. The analysis aimed at providing a characterization of interventions related to indigenous peoples with special emphasis on assessing the different approaches and instruments adopted by the Division in projects and programmes concerning indigenous peoples. The study assessed that as of 2007, indigenous-related loans concerned 38 per cent of projects and about 22 per cent of the lending portfolio, a good indicator of the significance of indigenous peoples to the interventions in the region. The analysis highlighted the emphasis of the overall portfolio on natural resources management and support to access to markets. The review also identified margin for improvement in areas related to: (a) secure access to land and territories; (b) inclusion of decentralized institutions in natural resources management activities; (c) integration of traditional knowledge systems and their governance into sustainable management of resources; and (d) enhanced partnerships with indigenous peoples' organizations through deeper involvement and more systematic consultations. The review also indicated opportunities for increasing the volume of regional and subregional programmes related to indigenous peoples. Furthermore, the study highlighted the opportunities for IFAD to play a greater role in policy dialogue and advocacy work, in order to make Country Strategic Opportunity Programmes and other strategic tools more relevant to indigenous peoples' perspectives.

22. The opportunities for improvement highlighted by the desk review and the strategic suggestions to meet them included the following:

- Increasing external threats to indigenous lands and territories for extraction of subsoil resources or land grabbing for establishing plantations (biofuel production, forest concessions, expansion of the agricultural frontier, etc.) could be mitigated by providing support for legal recognition and titling of ancestral territories, coupled with investments for implementing integrated participatory management plans, and by establishing legal defence funds. Other measures could include support to negotiate equitable benefit-sharing arrangements and/or further the emergence of indigenous enterprises.

- To cope with, adapt to and mitigate the adverse effects of climate change, the desk review recommended systematically accompanying indigenous peoples, in strategic partnership with other agencies, through documentation of best practices, participatory research and design, and, whenever feasible, promoting integrated ecosystem management and rewarding mechanisms for ecosystem services provided by them.

- To counteract the adverse effects of globalization and the coming into force of new trade agreements the review suggested the requirement of concerted efforts to promote niche products and to step up current initiatives undertaken

to protect indigenous products, obtain trademarks and identify more products to be protected with designation of origin. In addition, it was recommended that to support local seed conservation efforts, exchange visits of in situ seed conservation and adaptation approaches should be encouraged, and grant funding should be provided for the establishment of local gene banks and for existing seed banks to open their collection to indigenous peoples.

- Another recommendation was to seize the opportunity of operationalizing the United Nations Declaration on the Rights of Indigenous Peoples (General Assembly resolution 61/295, annex) to translate the main principles of the Declaration into concrete operational guidelines at regional and subregional levels.

23. The countries in the Latin American and Caribbean region for which the 2007 and 2008 Country Strategic Opportunity Programmes have specifically addressed indigenous peoples' issues include Belize, Bolivia, Brazil, Guatemala, Honduras, Mexico and Panama.

24. The Orinoco Delta Warao Support Programme in Venezuela, approved by the IFAD Executive Board in December 2008, took full advantage of the experience emerging from, and the recommendations deriving from, the 2007 Desk review in the Latin American and Caribbean region. The project has been designed based on Venezuela's national policy, institutional and legal framework, as well as the United Nations Declaration on the Rights of Indigenous Peoples and international norms that recognize the rights of indigenous peoples. This project can be considered a model for designing projects with indigenous peoples in IFAD. Based on a holistic approach, the project has been tailored on the identity and culture of the Warao people living in poverty in the Orinoco Delta. Demand-driven initiatives will focus on integrated public health projects, including reproductive health and traditional medicine; food security and ecologically and culturally appropriate economic activities; social infrastructure and communications; natural resource and land management; strengthening of community-based organizations, including women's organizations and cooperatives; technical, managerial and administrative capacity-building; bilingual education and basic literacy training for adults; and promotion of culture and folklore. The project will support the revitalization of Warao traditions, music, dances, crafts, written and oral local stories and other cultural expressions. It will also support the education of non-indigenous peoples to respect Warao culture. Young men and women will have priority access to project services and resources, as will the elders, as they will be the transmitters of the Warao traditions and culture. Four types of activities will be supported: (a) promotion of Warao cultural expressions; (b) cultural festivals and traditional rituals; (c) encounters and exchanges between indigenous peoples undergoing similar issues such as integrated health care, ethno-cartography, and others; and (d) promoting respect for Warao culture among non-indigenous communities and on regional and national levels.

G. Study on Indigenous Peoples' Development in Asia

25. Recently IFAD undertook the study "Indigenous Peoples' Development in Asia: Lessons from IFAD Projects", based on projects among indigenous peoples in Asian developing countries. The main countries analysed included China, India, Indonesia, the Lao People's Democratic Republic, the Philippines and Viet Nam.

26. Though this study is centred on an analysis of IFAD-funded projects, it is not confined to those projects only. The results and lessons from the projects are used to look at broader issues of indigenous peoples' development, with the objective of drawing lessons that would be relevant to project design and implementation.

27. Preliminary findings of the study show that indigenous peoples' economies are undergoing a transformation from subsistence-based production to accumulation, from production for need to labour for maximizing income and from extensive to intensive development. The manner in which this change from subsistence to accumulation is occurring among indigenous peoples, according to the study, is basically of a market-driven laissez-faire type, with the community losing control over the transition processes, and even losing its identity with the growth of individualization of access to resources. The study argues that these tendencies, however, are not a given. There are many forms of access to resources (individual, collective, cooperative, etc.) that can be compatible with the requirements of efficiency in market-directed production. Thus, there is scope for choice even within market systems. And even though indigenous peoples are acting in a politico-economic environment of globalization, there is no a priori reason why globalization through the market must lead to full privatization, and forms of non-market access to productive resources can be maintained.

28. The projects studied have generally been beneficial in a number of ways: by improving infrastructure the indigenous peoples have greater opportunities to utilize larger-scale production for non-local markets, and transform what was formerly domestic production for use in income generation. These changes also bring pressures on utilization of natural resources, requiring changes in natural resource management regimes to incorporate private with community access regulations. At direct production level, the projects have carried out small-scale water resource developments, leading to an increase in wet rice cultivation as against hill rice.

29. The projects have also promoted the introduction of high-value crops into swidden or other hill cultivation. But such commercialization needs to be accompanied by caution — in maintaining diversity both in commercial production and in resources. It is seen that the combination of commercial with subsistence production increases resilience: commercial production can compensate for environmental fluctuations affecting subsistence production, while subsistence production can compensate for the inevitable market fluctuations of commercial production.

30. These project interventions have generally brought benefits in terms of economic well-being — better nutrition, improved ability to access education, improved housing, and so on. They have induced changes in land and forest management systems. Some projects have sought to deliberately increase access to productive resources of the poor and women among indigenous peoples, modifying traditional access norms.

31. The study points out that indigenous peoples, however, are concerned not only with getting a share of the benefits of development, but also with development that enables them to retain or develop their own cultures or identities. And the core of indigenous peoples' identity can be identified in their values. This would then imply inquiring into new ways of realizing core indigenous peoples' values in the current economic and political context. Within indigenous communities this would also open up space for the critical inquiry into certain practices that might contradict or

restrict the realization of these core values. The exclusion of women from political processes or the unequal rights of youth could both be challenges for critical review as practices that restrict the core indigenous peoples' value of participatory democracy.

32. The study concludes that if participatory democracy, collectivism and egalitarianism are accepted as some of the core values of indigenous peoples, then it is possible to fashion paths of development that allow these values to be redefined and developed in ways that meet the requirements of accumulation and efficiency in the market and to eliminate the exclusion of women and youth, in order to make them dynamic.

33. The findings of the study will be shared and validated with indigenous peoples' leaders, organizations, project staff, government representatives and academics in a workshop on indigenous and tribal peoples' development in Asia, scheduled to take place in India in June 2009.

H. Towards a policy on engagement with indigenous peoples

34. Experience has shown that development effectiveness and sustainability have been limited where the design and implementation of programmes and projects have not considered the specific identities and cultures of indigenous peoples.

35. Overall, in its experience on the ground, IFAD has learned that development strategies with indigenous peoples need to be guided by a holistic vision that includes economic growth, empowerment, sustainable management of natural resources, and recognition and protection of social, economic and cultural rights.

36. To implement this vision, it is therefore necessary to recognize that enabling indigenous peoples to escape poverty requires respect for their rights, respect for their cultures and traditions, and respect for their aspirations to control their own destiny.

37. It is within this perspective and the framework of the United Nations Declaration on the Rights of Indigenous Peoples and the UNDG Guidelines on Indigenous Peoples' Issues that the IFAD Policy on Engagement with Indigenous Peoples is being developed.

38. Under the overall mission of IFAD to enable rural poor women and men to overcome poverty, the policy on engagement with indigenous peoples will aim at enhancing the Fund's ability to empower indigenous peoples to engage in self-development processes.

39. As a step towards the development of the policy, a discussion paper on IFAD's engagement with indigenous peoples was prepared. The paper was discussed in a consultation meeting with about 15 indigenous leaders, including the Chair of the Permanent Forum on Indigenous Issues and IFAD staff in March 2008. A draft policy document is being finalized and will be shared with indigenous leaders, the Permanent Forum and the Inter-Agency Support Group for feedback.

40. The policy is expected to be submitted for approval to the Executive Board of IFAD in September 2009.

41. It is worth noting that in September 2008, the Fund's Executive Board approved the IFAD *Policy on Improving Access to Land and Tenure Security*.[5] Among its guiding principles this policy includes adherence to the principle of free, prior and informed consent. "This", the Policy states, "is of particular importance for most indigenous peoples, tribal people and ethnic minorities, who have culturally distinctive land tenure regimes based on collective rights to lands and territories. Recognition of these regimes and rights is often incomplete, leading to social and political marginalization and land grabbing by the powerful. Mechanisms for securing indigenous peoples' rights to their lands are important for their cultural survival and better livelihood prospects".[6] The Policy includes reference to article 10 of the United Nations Declaration on the Rights of Indigenous Peoples.

IV. The Indigenous Peoples' Assistance Facility: contributing to self-determined development of indigenous peoples' communities at the grass-roots level

42. In addition to projects approved through loans and grants, IFAD has established a specific facility, the Indigenous Peoples' Assistance Facility (IPAF) in support of self-determined development of indigenous peoples' communities and their organizations. IPAF, which was transferred in 2006 from the World Bank, is demand-driven and provides small grants that range from $10,000 to $30,000 to projects designed and implemented by indigenous peoples' communities and organizations. A board with a majority of indigenous leaders, including the Chair of the Permanent Forum on Indigenous Issues, manages the Facility, providing strategic guidance and making final decisions on grant awards.

43. The Facility is managed through a bidding process. Following a call for proposals, all eligible applications received by the set deadline are reviewed and rated according to project relevance, feasibility, institutional capacity and institutional credibility. In 2008, the technical review process was conducted with the support of indigenous experts in grant-making and development projects.

44. During the past two years of implementation of IPAF, 73 microprojects were approved in 47 countries worldwide for a total amount of about $1.5 million.

45. In its 30 years of experience, IFAD has learned that demand-driven programmes ensure appropriation, commitment and sustainability of the investments, and increase self-reliance and community empowerment. The Facility represents an innovative opportunity for IFAD to work with indigenous peoples and continue expanding and improving its community-based demand-driven approach, which is particularly suited to the holistic and territorially based worldview of indigenous peoples. The added value for having established the Facility at IFAD lies in the following strategic innovative elements:

(a) IPAF is a new and innovative financial instrument for IFAD, through which the Fund builds a direct partnership with indigenous peoples' communities

[5] Available at: http://www.ifad.org/pub/policy/land/e.pdf.

[6] IFAD, *Policy on Improving Access to Land and Tenure Security*, pp. 16 and 17. Available at: http://www.ifad.org/pub/policy/land/e.pdf.

and their grass-roots organizations, which design and implement grass-roots development projects based on their own perspective, values and priorities;

(b) The Facility is a listening and learning instrument on indigenous peoples' needs, proposed solutions and innovations;

(c) The Facility, as a community fund, can scout for innovations and pilot projects that would open the way for larger projects to be funded through IFAD loans and grants;

(d) IPAF has the potential of a partnership instrument to strengthen indigenous peoples' movements and policy dialogue at national, regional and global levels.

46. In 2007 and 2008 IPAF and its related activities[7] were financed by IFAD, the World Bank, Norway, Canada, Finland and Italy, for a total amount of $2,120,000.[8]

47. Following IFAD's first call for proposals in March 2007, more than 1,000 proposals were received from about 86 countries all over the world. The Indigenous Peoples' Assistance Facility Board approved 30, which were implemented in 2008, with about 500 communities of 50 different indigenous peoples worldwide, reaching more than 20,000 direct beneficiaries and over 30,000 indirect beneficiaries.

48. The following results emerged from a preliminary assessment made on the basis of the monitoring, midterm and completion reports of the 30 projects implemented in 2008, as well as 2 regional workshops in Asia and Latin America, held with the representatives of implementing organizations. The microprojects financed under IPAF emerged as powerful instruments at community level which contributed to:

- Increased awareness of indigenous peoples' rights and cultural identity, strengthened indigenous peoples' institutions and creating income-generating activities building on their assets
- Increased capacity of communities to manage their natural resources. This is the example of the organization RITA in Mexico, formed by 20 different indigenous peoples, that implemented a project on ethno-ecotourism as an alternative way to manage their natural resources and based on their cultures and values
- Empowerment of indigenous women through training on their rights and strengthening of their identity and entrepreneurial capacity; improved household incomes. One example is the project approved in El Salvador and implemented by El Instituto para el Rescate Ancestral Indígena Salvadoreño that helped indigenous women to recover their identity as indigenous women through traditional weaving while trained on their rights

[7] The related activities of the Facility have been two regional workshops, one in Asia and one in Latin America and a research study on *Custodians of Culture and Biodiversity — Indigenous Peoples Take Charge of Their Challenges and Opportunities* that captured the knowledge and information in the grant proposals as submitted by 1,095 indigenous communities and organizations in 2007.

[8] IFAD ($823,000); World Bank ($415,000); Norway ($625,000); Canada ($150,000); Finland ($77,000); and Italy ($30,000).

- Increased capacity of indigenous people's organizations to mobilize funds following the approval of their projects by IFAD. This was the case of NISARGA, an indigenous people's organization in South India, which implemented a project on sensitization of indigenous peoples and their problems and needs to critically rebuild their indigenous cultural identity and forest life. Following the approval of the project under IPAF, the organization managed to mobilize additional resources from the local government

49. Following the second call for proposals in 2008, the IPAF Board prioritized for funding 43 projects in 33 countries worldwide, for a total amount of about $900,000 with a 50 per cent increase of resources compared to the previous year.

50. While financing microprojects is the main objective of the Indigenous Peoples Assistance Facility, learning from the needs and solutions as assessed by indigenous organizations and communities and scouting for innovations is another important pillar of the Facility.

51. To this extent, a research study was conducted on the 1,095 project proposals received by IPAF in 2007. The study focused on solutions to rural poverty and sectors of intervention as proposed by indigenous peoples' communities and their organizations. The study's main findings showed that most proposals have a holistic perspective with a strong focus on sustainability. Cultural identity and rights-based approaches were built into livelihoods, natural resource and land management as well as into environmental regeneration approaches. Many of the activities proposed by indigenous peoples and their organizations included integrated approaches. The holistic model forms a well-integrated package, tying various sectors with identity and rights. In the context of global warming and erosion of biodiversity, pollution of rivers and overexploitation of land, this model is very timely and appropriate. It is in line with a long-term perspective and sustainability that was endorsed at the Johannesburg World Summit on Sustainable Development in 2002,[9] but which is still not fully implemented. Living in fragile environments, indigenous peoples have time-tested experience and valuable knowledge that could also be used for adaptation and mitigation of global warming.

52. Proposals also revealed that indigenous cultures are in different stages of development and change, facing internal and external challenges. Youth was a special focus of some project proposals, and gender concerns were mainstreamed into most of the projects. Many projects also specifically targeted women, promoting their livelihoods, tapping their knowledge, strengthening their organizations, and building their advocacy and participation in society.

53. Organization-building and participation were also tackled by many projects. Projects addressed lack of representation and participation of indigenous peoples in various governance structures. Indigenous peoples were educated on their rights, development situation and outside challenges. This is important as their problems are political. Many projects also addressed marginalization, exclusion and loss of autonomy of indigenous peoples, by strengthening their institutions and organizations and building their power to participate in decision-making bodies and in policy development.

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[9] See *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 Septemeber 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum).

54. The research study confirmed that as a knowledge instrument that provides first-hand information on the organizations and the situation of indigenous peoples in rural areas, the Facility is extremely valuable for IFAD's funded country programmes through loans and large grants. Microprojects approved under IPAF could pioneer and open the way for larger projects to be funded through loans and grants.

55. The Facility is also an instrument that can play an important multiplier role in promoting partnerships and networking by actively linking indigenous peoples' grass-roots organizations and communities to their national and regional organizations, and their international representatives. Through targeted advocacy, IPAF has the potential to build solid bridges for national policy dialogue within the Permanent Forum on Indigenous Issues.

56. Based on the first year of implementation, a vision strategy for the future of IPAF aims at strengthening its potential and gradually decentralizing the Facility at regional levels with the support of its Board members, the Permanent Forum on Indigenous Issues and identification of suitable indigenous peoples' organizations at the regional level. This will help to build the capacity, unity and autonomy of indigenous peoples, facilitating national and global dialogues on indigenous peoples' issues, hence implementing the United Nations Declaration on the Rights of Indigenous Peoples.

57. In order to make full use of the potential, knowledge and innovations of the Facility, its future lies in its ability to become a long-term solid financial instrument for small grass-roots development initiatives. In addition to its own resources, IFAD is making efforts to mobilize resources with donor countries and interested international organizations.

V. Response to the recommendations of the Permanent Forum on Indigenous Issues

58. Over the years, IFAD has been effectively responding to recommendations exclusively addressed to the Fund by the Permanent Forum. IFAD has received and responded to them also as an incentive to acquire better understanding and knowledge and mainstream indigenous peoples' issues within the organization. Following is a comprehensive review of the recommendations addressed to IFAD and the responses to them. They have been grouped thematically.

A. Issues related to the mandate of IFAD

59. These recommendations relate to mainstreaming indigenous peoples' issues within IFAD, the development of principles of engagement with indigenous peoples, the establishment of a grant Facility exclusively dedicated to indigenous peoples' development projects, and mobilization of resources for projects in support of indigenous peoples.

60. As mentioned above, IFAD's engagement with indigenous peoples has been increasing in the past decade. Following the retirement in 2006 of the Assistant President with a Special Mandate on Indigenous and Tribal Issues and based on the gains made under his leadership, the work related to indigenous peoples was

institutionalized in a functional unit incorporated in the Policy Division. A Coordinator for Indigenous and Tribal Issues was recruited to work as focal point on indigenous issues and an interdepartmental Policy Reference Group on Indigenous Peoples was established.

61. A Policy on Engagement with Indigenous Peoples is being finalized in consultation with indigenous leaders, the Permanent Forum and IASG, and it is expected to be presented for approval at the September 2009 meeting of the Executive Board of IFAD.

62. The Indigenous Peoples' Assistance Facility has been established and is successfully running under the guidance of a Board formed in majority by indigenous leaders.

63. In its annual reports to the Permanent Forum, IFAD has regularly submitted comprehensive lists of loans and grants programmes in support of indigenous peoples. In the past six years, IFAD has provided on a yearly basis an average of $110.5 million in loans — about 22 per cent of its annual lending programme over this period — and $3.3 million in grants in support of indigenous peoples, mainly in Asia and Latin America. Project and grant design and implementation have improved to reflect better the needs and worldviews of indigenous peoples. In order to take stock of the work done with indigenous peoples in the field, desk reviews, studies and assessments were conducted by the Fund in order to identify best practices and gaps for future strategies.

B. Land and territories

64. These recommendations referred to the implementation of the principle of free, prior and informed consent and mechanisms regarding projects on indigenous lands and territories.

65. In addition to IFAD-funded projects that have facilitated access to land rights of indigenous and tribal peoples, as described above, IFAD's recent publication, *Policy on Improving Access to Land and Tenure Security*, includes free, prior and informed consent among its guiding principles, with a specific focus on indigenous peoples' communities.

C. United Nations Declaration on the Rights of Indigenous Peoples and United Nations Development Group Guidelines on Indigenous Peoples' Issues

66. IFAD responded to the Permanent Forum's recommendations to the United Nations system on the dissemination of the Declaration on the Rights of Indigenous Peoples and undertook several initiatives to disseminate it even before its approval in September 2007, as mentioned in its report to the Forum in 2007 (see E/C.19/2007/3/Add.4). The design of the Policy on Engagement with Indigenous Peoples has been inspired by the Declaration, and reference to the Declaration has been included in the newly approved policy on land. In addition, IFAD is financially supporting the secretariat of the Forum in disseminating the Declaration and the UNDG Guidelines on Indigenous Peoples' Issues at country level. The Fund was part of the UNDG Task Team that designed the Guidelines, and since their release in

February 2008, it has been disseminating the Guidelines within the institution and during meetings and workshops.

D. Indicators

67. In response to the recommendations of the Permanent Forum for developing specific indicators of well-being of indigenous peoples, IFAD provided financial support to the secretariat of the Forum. The Fund is piloting the specific indicators of well-being of indigenous peoples through the microprojects approved under the Indigenous Peoples' Assistance Facility and disseminating them to all organizations implementing projects. In the forthcoming Policy on Engagement with Indigenous Peoples, provisions are being made to use appropriate indicators for monitoring and evaluating projects that reflect indigenous peoples' perspectives and realities, with reference to the work undertaken by the Forum and other organizations.

E. Climate change

68. Recommendations on climate change addressed to the United Nations agencies refer to technical and financial support to protect natural resource management of indigenous peoples; to conduct studies on the impacts of climate change and responses by indigenous peoples; and to strengthen the participation of indigenous peoples in dialogue on climate change.

69. IFAD is accompanying indigenous peoples in Asia, Africa and Latin America in their processes, leading the way on climate change dialogue and negotiations in the context of the United Nations Framework Convention on Climate Change. Two grants, provided in 2008 and early 2009, respectively to the Indigenous Peoples' International Centre for Policy Research and Education (Tebtebba Foundation) and the Mainyoito Pastoralist Integrated Development Organization, will contribute to enabling indigenous peoples to share their experiences, lessons, aspirations and strategies in dealing with climate change, based on their cultural and traditional understandings, as well as the current conditions they face. The grants will enable indigenous peoples to unite and strengthen their voices and become equipped with the knowledge and understanding of the national, regional and international decision-making processes on climate change issues.

70. A microgrant approved under the Indigenous Peoples' Assistance Facility in 2007 in favour of the Solomon Island Development Trust, supported the Babanakira and Kolina people in enhancing traditional coping strategies to build their resilience to cope with disasters, merging these practices, where necessary, with modern scientific and technical knowledge. Another small grant was provided to the Asian Forum of Parliamentarians on Population and Development, whose main objective is to promote innovative approaches and solutions to the impact of climate change on indigenous peoples in the Asia and Pacific region. A study on "Indigenous Women Engaging with Climate Change", whose findings have been summarized above, was sponsored by the Fund and will be presented and disseminated in international meetings and conferences. Representatives of indigenous peoples' organizations who participated in the two regional workshops on IFAD's Indigenous Peoples' Assistance Facility: supporting self-determined development of indigenous communities in Asia and Latin America discussed climate change and indigenous

peoples during focused working groups. They concluded that the analysis of climate change impacts and solutions have so far been superficial, technocratic and only centring on the economic dimension. They highlighted the need to include the ethical dimension when combating climate change. They indicated that indigenous multidimensional cosmovision needs to replace the present one-dimensional male paradigm. It would be a solution to the ecological crisis and would be in line with sustainable development. Indigenous peoples and their organizations should take a leadership role and promote their holistic worldview and livelihoods. They identified participation of indigenous peoples in processes that are shaping up new policies and strategies on climate change as the key issue. In order to be effective, capacity-building of indigenous peoples' leaders is needed.

VI. Limitations of IFAD work with indigenous peoples and future opportunities

71. IFAD has made substantive progress in its engagement with indigenous peoples, both on the ground and in its advocacy role at the international level. While the majority of IFAD-supported projects are designed in close consultation with local communities, the challenge for the Fund resides in applying a more systematic approach to all its projects and programmes in order to enable indigenous peoples to pursue their own development, wherever IFAD works with them. The instrument through which IFAD will be able to fill in this gap will be its forthcoming Policy on Engagement with Indigenous Peoples. Once approved by the Fund's Executive Board, the policy, which is mandatory for IFAD, will apply to all projects and programmes with indigenous peoples.

72. In the future, IFAD will also need to increase its ability to document and share more proactively the lessons learned from its own experiences with Governments, the United Nations system and other organizations and strengthen its advocacy and policy role at national, regional and international levels. IFAD will also need to enhance cooperation with United Nations organizations at the country level, particularly in view of its increased field presence. The implementation of the UNDG Guidelines on Indigenous Peoples' Issues at the country level represent a good opportunity in this direction.

Annex

Summary of projects and grants approved in 2008

To complete the present report and ensure continuity of previous reports submitted by IFAD to the Permanent Forum on Indigenous Issues in recent years, a summary of approved projects and grants in 2008 is provided below.

During 2008, through its loan facility, the IFAD Executive Board approved 13 projects supporting indigenous peoples and ethnic minorities. The approved projects are either formulated specifically for indigenous peoples or they include indigenous peoples as part of a larger beneficiary group of rural people living in poverty. The approved projects cover five countries in Asia (China, India, Indonesia, Philippines and Viet Nam), five in Latin America (Belize, Costa Rica, Guatemala, Panama and Venezuela) and two in Africa (Niger and United Republic of Tanzania). The total cost of projects benefiting indigenous peoples amounts to about $94 million.

Under the IFAD grant portfolio, seven large technical assistance grants were approved in support of indigenous peoples for a total amount of about $11.5 million. The majority of those grants were additional components to the above-mentioned approved projects. Four grants will be implemented in Asia (India, Indonesia, Lao People's Democratic Republic and Philippines), one in Latin America (Guatemala) and two in Africa (Democratic Republic of the Congo and Niger). Other small grants were approved in 2008 which will directly benefit indigenous peoples. One grant was in support of the Asian Forum of Parliamentarians on Population and Development, whose main objective is to promote innovative approaches and solutions to the impact of climate change on indigenous peoples in the Asia and Pacific region; a grant to the PRAIA Foundation on learning and sharing knowledge on climate change and mitigation in the Amazon Basin; a grant to the Tebtebba Foundation was provided for the preparation of an Asian regional summit on climate change and indigenous peoples. A grant was approved in favour of the secretariat of the Permanent Forum to support dissemination of the United Nations Declaration on the Rights of Indigenous Peoples and the UNDG Guidelines on Indigenous Peoples' Issues at the country level.

In addition, three small grants approved during the course of 2008 include indigenous peoples as part of larger beneficiary groups. One grant was provided to the Centro Internazionale Crocevia to organize a civil society forum during the High-level Conference on World Food Security of the Food and Agriculture Organization of the United Nations and address issues related to climate change and bioenergy. Another grant was provided to the Fundación de la Caficultura para el Desarrollo (FUNCAFÉ) on a model of management for the competitiveness of small producers of coffee and cocoa in Las Verapaces, Venezuela (Bolivarian Republic of); and a third grant was in favour of the Sambandh Programme on sustainable livelihoods through organic agricultural development, which included scheduled tribes of Orissa, India, among its beneficiaries.